

**[These slides have been updated to reflect the outcome of any votes with a bracketed summary at the bottom of recommendation slides]**

# **SECTION 1423 ACQUISITION ADVISORY PANEL**

**Governmentwide Contracts and  
Interagency Contract Vehicles  
Working Group**

**Presentation of Recommendations  
February 23, 2006**

These slides contain preliminary working group recommendations for discussion purposes only. They have not been approved by the Acquisition Advisory Panel

# Governmentwide Contracts and Interagency Contract Vehicles

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Issues and recommendations arise from four basic questions:

- What are they?
- Why do agencies use them?
- How do agencies use them?
- How should agencies use them?

# Findings

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- Proliferation
- Inconsistent Oversight
  - Lack of Transparency
  - Little Systematic Coordination Among Vehicles
  - No Consistent Standards for Creation and Continuation
  - No Procedures for Aligning Vehicles to Leverage Government Purchasing Power
  - No Central Database or Consistent Methodology to Help Agencies Select Appropriate Contract Vehicles
- Incentives for Creation Don't Always Translate Into Benefits for the Taxpayer
- Some Diversity is Desirable
- Focus on Process of Creation and Continuation will Improve Use of the Vehicles

# Recommendations

1. Increased transparency through identification of vehicles (e.g. GWACs, MACs, enterprisewide) and Assisting Entities. OMB conduct a survey of existing vehicles and Assisting Entities to establish a baseline. The draft OFPP survey, developed during the Working Group's deliberations includes the appropriate vehicles and data elements.

***[Adopted by Panel 2/23/06 subject to review of OFPP survey. This review was subsequently completed on 2/23/06. Recommendation fully adopted.]***

# Recommendations

2. Make available the vehicle and assisting entity data for three distinct purposes.
  - Identification of vehicles and the features they offer to agencies in meeting their acquisition requirements (yellow pages).
  - Use by public and oversight organizations to monitor trends in use
    - Improved granularity in fee calculations
    - Standard FPDS-NG reports
  - Use by agencies in business case justification analysis for creation and continuation/reauthorization of vehicles

***[Adopted by Panel 2/23/06]***

# Recommendations

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3. OMB institutionalize collection and public accessibility of the information, for example through a stand alone database or module within transactions-based FPDS-NG.

***[Adopted by Panel 2/23/06]***



# Recommendations

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4. OMB direct a review and revision, as appropriate, of the current procedures for the creation and continuation/reauthorization of GWACs and Franchise Funds to require greater emphasis on meeting specific agency needs and furthering the overall effectiveness of governmentwide contracting. GSA should conduct a similar review of the Federal Supply Schedules. Any such revised procedures should include a requirement to consider the entire landscape of existing vehicles and entities to avoid unproductive duplication.

***[Adopted by Panel 2/23/06]***

# Recommendations

5. For other than the vehicles and entities described in #4 above, institute a requirement that each agency, under guidance issued by OMB, formally authorize the creation or expansion of the following vehicles under its jurisdiction
  - Multi-agency contracts
  - Enterprisewide vehicles
  - Assisting entities

***[Adopted by Panel 2/23/06 subject to expansion of the description of “assisting entity” in the final report]***

# Recommendations

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6. Institute a requirement that the cognizant agency, under guidance issued by OMB, formally authorize the continuation/reauthorization of the vehicles and entities addressed in #5 on an appropriate recurring basis consistent with the nature or type of the vehicle or entity. The criteria and timeframes included in the OMB guidance should be distinct from those used in making individual contract renewal or option decisions.

***[Adopted by Panel 2/23/06]***

# Recommendations

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7. Have the OMB interagency task force define the process and the mechanisms anticipated by recommendations #5 and #6

***[Adopted by Panel 2/23/06]***

# Recommendations

## 8. OMB promulgation of detailed policies, procedures, and requirements should include:

- a. Business case justification analysis (GWACs as model).
- b. Projected scope of use (products and services, customers, and dollar value).
- c. Explicit coordination with other vehicles/entities.
- d. Ability of agency to apply resources to manage vehicle.
- e. Projected life of vehicle.
- f. Structuring the contract to accommodate market changes associated with the offered supplies and services (e.g. market research, technology refreshment, and other innovations).
- g. Ground rules for use of support contractors in the creation and administration of the vehicle.
- h. Criteria for upfront requirements planning by ordering agencies before access to vehicles is granted.
- i. Defining post-award responsibilities of the vehicle holders and ordering activities before use of the vehicle is granted. These criteria should distinguish between the different sets of issues for direct order type vehicles versus vehicles used for assisted buys, including data input responsibilities.
- j. Guidelines for calculating reasonable fees including the type and nature of agency expenses that the fees are expected to recover. Also establish a requirement for visibility into the calculation.
- k. Procedures to preserve the integrity of the appropriation process, including guidelines for establishing bona fide need and obligating funds within the authorized period.
- l. Require training for ordering agencies' personnel before access to the vehicle is granted.
- m. Use of interagency vehicles for contracting during emergency response situations (e.g. natural disasters).

# Recommendations

## Recommendation #8 (continued)

- n. Competition process and requirements.
- o. Agency performance standards and metrics.
- p. Performance monitoring system.
- q. Process for ensuring transparency of vehicle features and use. (Defined point of contact for public – Ombudsman)
- r. Guidance on the relationship between agency mission requirements/core functions and the establishment of interagency vehicles (e.g. distinction between agency expansion of internal mission-related vehicles to other agencies vs. creation of vehicles from the ground up as interagency vehicles)

*[Adopted by Panel 2/23/06 with agreement to add language to item “e” above for a preference for a sunset provision unless deemed inappropriate for the vehicle type.]*

# Recommendations

9. OMB sponsor a detailed analysis of the effectiveness of Panel recommendations and agency actions in addressing the findings and deficiencies in the Acquisition Advisory Panel report. The analysis should occur no later than five years after initial implementation with an interim report after three years. The analysis should also include identification of unintended consequences of implementing the recommendations.

***[Adopted “in principle” by Panel 2/23/06 subject to working group submitting additional language to reflect discussion on role OMB will play in determining agency compliance with guidance.]***